Sub-Recipient Grant Process

Step 1 (Granting Agency)

- Receive grant award notification from federal granting agency or request an estimated funding source based on prior year grant award letter or current year Federal application.
- IF ARRA
  - Give funding source request form to SBA analyst, who will create a new fund and request that GMIS create a funding source number for each grant.
- IF Non-ARRA
  - Submit GMIS issue with supporting documentations and funding source request form attached.
  - If this is the first time your agency has received a grant from the granting federal agency, then you will also need to contact your SBA analyst to create a new fund for that federal agency within your BU.

Step 2 (Granting Agency)

- Create the Project ID .
- If **your agency** will be expending any of these dollars, you will need to create functional Activity ID(s), such as ALL0000 and distributional activities (FEDERAL, STATE00) and Revenue Activity id (REVFEDL). You will then need to create funding source allocation, funds distribution rules, and a project budget.
- Submit budget journals to increase the APPROP, ALLOT_CTRL, and ALLOT ledgers of the federal fund. To create a thorough audit trail, the granting agency should increase their federal fund budgets for the full value of the grant. Reduction entries will be made as the grant is distributed to sub-recipient agencies.

Step 3 (Granting Agency)

- Submit a GMIS issue to give the sub-recipient business unit access to the Funding Source number.
- Give the Funding Source request form to the sub-recipient agency.
- Create budget journals to reduce your federal fund budget by the amount that will be passed to the sub-recipient agency. Submit journal to your SBA analyst for approval.

Step 4 (Sub-Recipient Agency)

- Sub-recipient creates budget journal to increase federal fund designated for federal granting agency. Submit for approval to SBA analyst, along with the funding source request form that was provided by the state granting agency.
- If the sub-recipient needs to transfer state funds to the federal fund to match the grant, then you should notify your SBA analyst of how much needs to be transferred and from what fund.

- State matching funding sources are created after funds are transferred from the state fund to the federal fund.
- Create Project (using last 12 from granting agency), including REVFEDL activity id, funding source allocation(s) (using funding source provided by granting agency plus any additional matching funding source(s)), funds distribution and budget plan.

After the four steps are successfully accomplished, the sub-recipient will be able to spend funds.

Granting Agency Billing Process and Oversight

The State Granting agency will run the Federal Draw Worksheet Report (SOIPC100) or Detail Trans. Rpt by Project (SOIPC111) to see what expenses need to be submitted to the federal granting agency for reimbursement to the sub-recipient agency. They may also use these reports to review sub-recipient spending for grant-compliant expenses, or can require documentation from the sub-recipient agency for verification of eligible expenses prior to drawing down federal money.

Report of Collections – State Granting Agency

The State Granting agency then deposits revenue received directly into the sub-recipient agency's fund and Project using REVFEDL Activity and a revenue account as part of the ROC/accounting entries process. All other chartfields should be the same as the expense entries.